

# Van H. Wanggaard

Wisconsin State Senator

## TESTIMONY OF SENATOR VAN WANGGAARD ON SB 153

Thank you, Madam Chairwoman and committee members, for this hearing on Senate Bill 153, which permits governmental employers who do not participate in the Wisconsin Retirement System to be covered in the local government health insurance plan offered by the Group Insurance Board. I cosponsored this legislation with Representative Vos, and I am pleased to appear in support of this bill.

This bill originated from a challenge faced by the Village of Sturtevant in Racine County. Sturtevant village trustees have served as excellent stewards of taxpayer funds, and they have worked diligently to hold down costs and maintain a balanced budget. However, Sturtevant does not participate in the Wisconsin Retirement System, so it cannot access the health insurance plan offered by the Group Insurance Board.

Without enrolling in the Group Insurance Board, one of the tools that the Legislature has offered local governments to balance their budgets does not apply. Therefore, Sturtevant cannot use savings from increased employee health insurance contributions to balance its budget. The change made in this bill enables local government officials to realize savings from health insurance contributions and use those savings to balance their budgets. Since introducing this bill, I have learned that other communities, including the city and county of Milwaukee, face a similar situation and would be positively impacted by this legislation.

Let me be clear—allowing municipalities like Sturtevant to participate in the Group Insurance Board creates no additional expense for municipalities or the state. Instead, it allows fiscally responsible municipalities to save on health insurance costs by letting them participate in the much larger health insurance pool represented by the Group Insurance Board. It gives local governments another option for saving money and maintaining essential services.

This is a simple bill. We are not making substantial changes to the policies of the Group Insurance Board, and we are not creating a new financial obligation for municipalities or for the state. We are giving local governments another option as they work to balance their budgets and provide taxpayers with the best value for municipal services.

This past summer, we passed a budget that creates challenges for local governments—we should provide them with the resources to meet that challenge. I urge you to support SB 153, and I will be happy to answer any questions you have about this legislation. Thank you.

Serving Racine County - Senate District 21

January 10, 2012

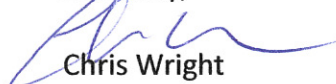
Madam Chairperson and members of the committee,

I currently have the privilege of serving my third term as trustee for the Village of Sturtevant. During that time we have made efforts to be fiscally responsible in our decisions. One area that has been difficult to control is health insurance costs. When I was first elected we had 35 full time employees. At that time with a small amount of employees the rates we were given would vary widely. Compounding this was that rates would not always be available during the budget process. Also because the risk was spread over a small amount of people the rates would often be higher year after year. Two years ago we switched to coverage with Central States which is tied to the Teamsters Union. This move saved the Village a fair amount of money and allowed us to lock in prices for multiple years. One provision to being a part of this plan was we can only take part in this as long as we have a local Teamsters Union. With only four members in the local union, it is not guaranteed that they will recertify each year. If they chose to decertify we would be forced to go back to the private market. However, because we now have 16 fulltime employees instead of 35, this will likely cause much higher rates.

On behalf of President Jansen and my fellow Trustees, I am asking you to support SB 153. This will allow us to participate in the state insurance pool and allow us to find more affordable health coverage for our employees. Sturtevant does not currently participate in the Wisconsin Retirement System. Most of our employees are under a deferred compensation plan. Our DPW employees are a part of the Teamsters Pension Plan. Because Sturtevant does not participate in the Wisconsin Retirement System we are currently unable to participate in the local government health insurance plan. While moving those enrolled in the deferred compensation plan could be done relatively easily. It would be too cost prohibitive to move our current DPW employees from their Teamsters Pension Plan. SB 153 will allow us and other smaller communities to find more stable and cost effective coverage for our employees. This will benefit both our employees and the taxpayers of Sturtevant and other communities around Wisconsin.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Wright", is written over the printed name.

Chris Wright

Trustee

Village of Sturtevant